GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:612
ANSWERED ON:05.05.2003
SALE OF LAND BY IA
AMBATI BRAHMANAIAH;VINAY KUMAR SORAKE

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines has sold some of its assets to meet its day-to-day expenses;

(b) if so, the details thereof;

(c) whether Indian Airlines has sold some land in Chennai recently;

(d) if so, the details in this regard;

(e) the extent to which such sales helped the Indian Airlines to meet its operational expenses;

(f) whether a more rational commercial approach will help Indian Airlines reduce losses and increase their cash flow; and

(g) if so, the details of steps proposed to avoid selling assets for meeting its day-to-day expenses?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)

(a),(b),(c),(d),(e),(f) and (g): A statement is laid on the Table of the Sabha.

STATEMENT IN REPLY TO PARTS (a),(b),(c),(d),(e),(f) AND (g) OF LOK SABHA STARRED QUESTION NO.612 FOR 05/05/2003 REGARDING SALE OF LAND BY INDIAN AIRLINES

(a),(b),(c),(d) and (e): Indian Airlines has not sold any assets to meet its day-to-day expenses. Efforts were made to dispose of land which was lying unutilized for long at Laxmi House, Chennai. But this could not materialize since no financial bids were received against the tender issued for the purpose.

(f) and (g): Most of the losses of Indian Airlines can be attributed to rise in the cost of inputs like ATF, Insurance, Landing & Navigational charges etc. which are beyond the control of Indian Airlines. These losses are further aggravated due to its operations on commercially unviable routes in order to discharge its social obligations as a Public Sector Undertaking. This not only adds to the losses, but also prevents Indian Airlines from deploying its capacity on the more profitable trunk routes. However, Indian Airlines has been taking steps to improve its business performance and to bring about qualitative and quantitative improvements in its customer related services. There is no proposal from Indian Airlines to sell its assets for meeting its day-to-day expenses but the proposed sale at Chennai was basically to dispose of a non-performing asset of the Company.